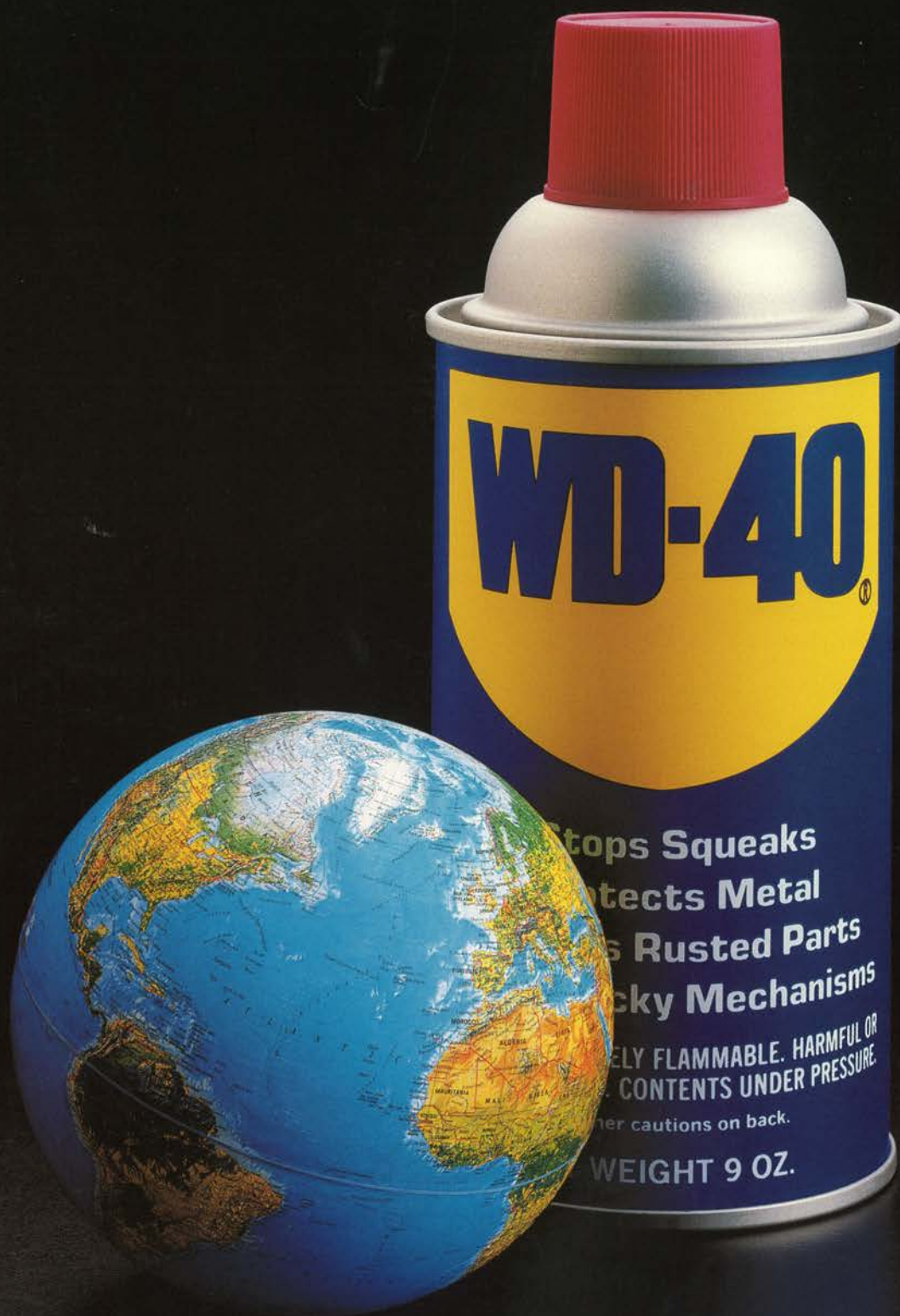


WD-40 COMPANY 1987 ANNUAL REPORT

Year Ending August 31



Highlights of the Three Years Ended August 31

	1987	1986	1985
Net Sales	\$70,879,000	\$69,384,000	\$57,289,000
Net Income	\$11,010,000	\$11,570,000	\$ 9,354,000
Earnings Per Share	\$1.46	\$1.54	\$1.25
Dividends Per Share	\$1.47	\$1.04	\$.90
Average Number of Shares Outstanding	7,516,652	7,503,679	7,498,024
Shares Outstanding	7,522,868	7,504,051	7,500,721
Number of Shareholders	2,796	2,264	2,249
Number of Employees	61	56	49

Highlights Fiscal 1987:

- Current Ratio: 6.0 to 1
- Debt: None

- Receivables to Net Sales: 20.6%
- Inventories to Net Sales: 4.0%

- Net Sales per Employee: \$1,161,000
- Net Income to Average Net Worth: 33.7%

Letter to the Shareholders

October 12, 1987

To Our Shareholders:

Sales for fiscal 1987 were \$70,879,000 compared with \$69,384,000 last year. While this was a record it was by only 2.1% which was short of our original expectations. Consolidated earnings slipped 4.8% from last year to \$11,010,000 or \$1.46 a share versus \$1.54 a year ago. \$.06 per share of this downturn was directly attributable to the charge which resulted from the payment of a legal settlement for an insolvent insurance company. We hope to receive full reimbursement on the matter from the California Insurance Guarantee Association. Cash dividends were \$1.47 per share, up 41.3% from \$1.04 per share last year.

Neither our United States or Canadian subsidiary delivered what was expected of them in sales and earnings. Our ability to get sales promotions in North America was hampered by mergers, liquidations, leveraged buyouts, bankruptcies and changing distribution patterns taking place in the retail trade. Unfortunately, these adverse market conditions are not expected to ameliorate in the foreseeable future.

The realization of our ambitious sales and earnings plan for our English subsidiary was most gratifying. Solid progress is being made in getting distribution of WD-40 beyond the automotive trade in England. This is essential in changing the consumer's perception of WD-40 as only an automotive product, especially as a wet engine starter.

Our thirteen European distributors are starting to experience reorders which is the first step in developing a market. Sales to the Middle East are going well. Our selling WD-40 to this area is a bit like the chap that sold coal to Newcastle.

Our newly established subsidiary in Australia will become operational in January and is expected to contribute to corporate profitability. It will be responsible for sales and marketing of WD-40 in Australia, New Zealand, Singapore and Southeast Asia.

Our goal for fiscal 1988 is to set new sales and earnings records by expanding market penetration, especially internationally.

Sincerely,



John S. Barry,
President

The Company

Corporate Objectives

Management is dedicated to the objectives of increasing corporate earnings and dividends by winning the end-users's brand loyalty for your Company's only product, WD-40. The Company would consider adding another product if it is determined that the Company can make a decisive contribution to that product's growth in the area of marketing-distribution. The product would, of course, have to have an attractive profit potential.

The Product

WD-40 is the cornerstone of your Company. It is a chemical-petroleum based maintenance product consumed by end-users in homes, factories, garages, farms and offices throughout the world. The well-established growth pattern of the demand for WD-40 attests to customer satisfaction with its performance.

WD-40 is typically procured for a specific application and, because of its unusual versatility, finds its way into many other uses. This broad range of uses provides your single-product Company with surprising diversification from a marketing point-of-view – it has little dependency on any one or even a group of end-users.

Markets

Revenues generated from the United States and Canadian markets approach 85% of the total. This percentage is expected to decline as our subsidiary in England develops the markets in the United Kingdom, Eire, Europe, the Middle East and Africa. Developments in the Pacific Basin will also assist this trend.

End-users in the many countries where WD-40 is sold are served through a number of trade channels including automotive, hardware, drug, grocery, industrial and farm. WD-40 is a horizontal product cutting across numerous vertical trade channels.

Competition

Over the years the high visibility of our success has spawned envy and has lured literally hundreds of imitators into the marketplace. WD-40's strong brand loyalty has resulted in our withstanding these attempted intrusions even when launched by billion-dollar companies. In a real sense, the true competition is every product that is competing for shelf space be it anti-freeze, light bulbs or razor blades. To survive and grow our promotional programs must be attractive enough to the trade to win retail display space to capitalize on the impulse nature of WD-40.

Operational Overview

While your Company is technically a manufacturer, it is really a marketer. Such being the case, it is organized to focus intensive management attention on critical success areas of: (1) sales policies, (2) marketing plan formulation, and (3) implementation of marketing plans. Other vital functions handled internally are: order handling, credit, WD-40 concentrate formulation, and quality control.

WD-40 concentrate for North America is formulated in San Diego and shipped by railcar or tank wagon to contract packagers in Los Angeles, Texas, Georgia, Massachusetts, Wisconsin, and Toronto, Canada. These independent subcontractors package WD-40 to rigid specifications and, upon order from your Company, ship ready-to-sell WD-40 to our customers in their respective areas via common carrier. The packagers have no responsibility for marketing WD-40.

The San Diego facility also oversees providing distributors and licencees in Mexico, the Caribbean, Central America, South America and the Pacific Basin with finished product or concentrate.

Europe, the Middle East and Africa are served from our European headquarters located in Milton Keynes, England. WD-40 concentrate is formulated there and converted to ready-to-sell WD-40 by three English contract packagers. The language and labeling standards of each of the many countries served by this operation has resulted in the production of over a dozen different WD-40 labels.

Our recently formed Australian subsidiary will become operational in January 1988. It will be responsible for marketing WD-40 in Australia, New Zealand and Southeast Asia.

Report of Independent Accountants

Price Waterhouse



October 12, 1987

To the Board of Directors and Shareholders
of WD-40 Company

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income and of shareholders' equity and of changes in financial position present fairly the financial position of WD-40 Company and its subsidiaries at August 31, 1987 and 1986, and the results of their operations and the changes in their financial position for each of the three years in the period ended August 31, 1987, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

San Diego, California

WD-40 Company Consolidated Statement of Income

	Year ended August 31		
	1987	1986	1985
Net Sales	\$70,879,000	\$69,384,000	\$57,289,000
Interest, royalty and other income	988,000	1,259,000	1,505,000
	<u>71,867,000</u>	<u>70,643,000</u>	<u>58,794,000</u>
Cost and expenses:			
Cost of product sold	30,185,000	29,370,000	24,403,000
Selling, general and administrative	13,645,000	12,030,000	9,764,000
Advertising and sales promotion	7,364,000	6,590,000	5,289,000
	<u>51,194,000</u>	<u>47,990,000</u>	<u>39,456,000</u>
Income before income taxes	<u>20,673,000</u>	<u>22,653,000</u>	<u>19,338,000</u>
Provision for income taxes:			
Federal	7,252,000	8,838,000	7,934,000
State	1,286,000	1,510,000	1,568,000
Foreign	1,125,000	735,000	482,000
	<u>9,663,000</u>	<u>11,083,000</u>	<u>9,984,000</u>
Net income	<u>\$11,010,000</u>	<u>\$11,570,000</u>	<u>\$ 9,354,000</u>
Average number of shares outstanding	<u>7,516,652</u>	<u>7,503,679</u>	<u>7,498,024</u>
Earnings per share	<u>\$1.46</u>	<u>\$ 1.54</u>	<u>\$ 1.25</u>

See accompanying notes to consolidated financial statements.

WD-40 Company Consolidated Balance Sheet

Assets	August 31	
	1987	1986
Current assets:		
Cash, including certificates of deposit of \$15,009,000 and \$16,790,000 ...	\$18,042,000	\$18,822,000
Accounts receivable, less allowance for cash discounts and doubtful accounts of \$314,000 and \$283,000	14,592,000	13,556,000
Inventories:		
Finished goods	2,556,000	2,013,000
Raw materials	265,000	438,000
	2,821,000	2,451,000
Prepaid taxes and expenses	1,286,000	1,410,000
Total current assets	36,741,000	36,249,000
Property, plant and equipment, at cost:		
Land	254,000	254,000
Building and improvements	1,395,000	1,392,000
Machinery and equipment	1,479,000	1,372,000
	3,128,000	3,018,000
Less accumulated depreciation	(991,000)	(918,000)
	2,137,000	2,100,000
Other assets	271,000	157,000
	<u>\$39,149,000</u>	<u>\$38,506,000</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,717,000	\$ 2,237,000
Accrued payroll and related expenses	1,112,000	1,444,000
Income taxes payable	1,318,000	2,181,000
Total current liabilities	6,147,000	5,862,000
Deferred income taxes	225,000	173,000
Contingencies (Note 4)		
Shareholders' equity:		
Common stock, no par value, 9,000,000 shares authorized – shares issued and outstanding of 7,522,868 and 7,504,051	1,957,000	1,750,000
Paid-in capital	121,000	121,000
Retained earnings	30,826,000	30,869,000
Cumulative foreign currency translation adjustment	(127,000)	(269,000)
Total shareholders' equity	32,777,000	32,471,000
	<u>\$ 39,149,000</u>	<u>\$ 38,506,000</u>

See accompanying notes to consolidated financial statements.

WD-40 Company Consolidated Statement of Shareholders' Equity

	Common stock		Paid-in capital	Retained earnings	Cumulative translation adjustment
	Shares	Amount			
Balance at August 31, 1984	7,494,921	\$1,651,000	\$121,000	\$24,498,000	(\$281,000)
Issuance of common stock	5,800	63,000			
Cash dividends				(6,749,000)	
Change in cumulative translation adjustment					(75,000)
Net income				9,354,000	
Balance at August 31, 1985	7,500,721	1,714,000	121,000	27,103,000	(356,000)
Issuance of common stock	3,330	36,000			
Cash dividends				(7,804,000)	
Change in cumulative translation adjustment					87,000
Net income				11,570,000	
Balance at August 31, 1986	7,504,051	1,750,000	121,000	30,869,000	(269,000)
Issuance of common stock	30,652	542,000			
Common stock exchanged in stock option exercise	(11,835)	(335,000)			
Cash dividends				(11,053,000)	
Change in cumulative translation adjustment					142,000
Net income				11,010,000	
Balance at August 31, 1987	<u>7,522,868</u>	<u>\$1,957,000</u>	<u>\$121,000</u>	<u>\$30,826,000</u>	<u>(\$127,000)</u>

See accompanying notes to consolidated financial statements.

WD-40 Company Consolidated Statement of Changes in Financial Position

	Year ended August 31		
	1987	1986	1985
Financial resources were provided by:			
Operations —			
Net income	\$11,010,000	\$11,570,000	\$9,354,000
Depreciation	244,000	200,000	116,000
Deferred income taxes	52,000	140,000	(4,000)
Provided by operations	11,306,000	11,910,000	9,466,000
Issuance of common stock	542,000	36,000	63,000
Disposition of equipment	82,000	8,000	7,000
	<u>11,930,000</u>	<u>11,954,000</u>	<u>9,536,000</u>
Financial resources were used for:			
Cash dividends	11,053,000	7,804,000	6,749,000
Common stock exchanged in stock option exercise	335,000		
Additions to property, plant and equipment	363,000	292,000	1,246,000
Equity adjustment for foreign currency translation	(142,000)	(87,000)	75,000
Increase in other assets	114,000	96,000	61,000
	<u>11,723,000</u>	<u>8,105,000</u>	<u>8,131,000</u>
Increase in working capital	<u>\$ 207,000</u>	<u>\$ 3,849,000</u>	<u>\$ 1,405,000</u>
Changes in components of working capital:			
Increase (decrease) in current assets —			
Cash	(\$ 780,000)	\$ 3,768,000	(\$1,914,000)
Accounts receivable	1,026,000	1,165,000	2,642,000
Inventories	370,000	(104,000)	588,000
Prepaid taxes and expenses	(124,000)	626,000	81,000
	<u>492,000</u>	<u>5,455,000</u>	<u>1,397,000</u>
Decrease (increase) in current liabilities —			
Accounts payable	(1,480,000)	(193,000)	(958,000)
Accrued payroll and related expenses	332,000	(692,000)	(103,000)
Income taxes payable	863,000	(721,000)	1,069,000
	<u>(285,000)</u>	<u>(1,606,000)</u>	<u>8,000</u>
Increase in working capital	<u>\$ 207,000</u>	<u>\$ 3,849,000</u>	<u>\$ 1,405,000</u>

See accompanying notes to consolidated financial statements.

Note 1 — Summary of Accounting Policies:

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, WD-40 Products (Canada) Limited, WD-40 Company (Australia) Pty Ltd., and WD-40 Company Ltd. (UK). All significant intercompany transactions have been eliminated.

Inventories

Inventories are stated at the lower of average cost or market.

Depreciation

Depreciation of plant and equipment has been computed using straight-line and accelerated methods, based upon estimated useful lives of thirty to forty years for plant and three to fifteen years for machinery and equipment.

Foreign Currency Translation

The accounts of the Company's foreign subsidiaries have been translated into United States dollars at appropriate rates of exchange. Cumulative translation gains or losses are recorded as a separate component of shareholders' equity. Gains or losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity's local currency), are included in the consolidated statement of income.

Earnings Per Share

Earnings per share are based upon the weighted average number of shares outstanding during each year, increased by the effect of dilutive stock options, when the dilutive effect is in excess of 3 percent of earnings per share, using the treasury stock method.

Income Taxes

Income taxes are provided for all taxable items included in the consolidated statement of income regardless of the period in which such items are reported for tax purposes. The Company also provides for United States taxes in excess of related foreign tax credit on foreign earnings expected to be repatriated.

Note 2 — Business Segment and Foreign Operations:

The Company operates in one business segment — the manufacture and sale of a multi-purpose lubricant through chain stores, automotive parts outlets and industrial distributors and suppliers.

Information regarding the Company's operations is summarized below. WD-40 Company (U.S.) amounts include all domestic sales, as well as sales to South America and the Pacific Basin. WD-40 Company Ltd. (U.K.) amounts include sales to Europe, the Middle East and Africa. Substantially all sales recorded by WD-40 Products (Canada) Ltd. are to customers within Canada.

	Year ended August 31		
	1987	1986	1985
Net sales:			
WD-40 Company (U.S.)	\$56,346,000	\$57,894,000	\$53,139,000
WD-40 Company Ltd. (U.K.)	9,697,000	6,799,000	
WD-40 Products (Canada) Ltd.	5,089,000	4,876,000	4,424,000
Eliminations	(253,000)	(185,000)	(274,000)
	<u>\$70,879,000</u>	<u>\$69,384,000</u>	<u>\$57,289,000</u>
Operating profit (loss):			
WD-40 Company (U.S.)	\$15,792,000	\$18,185,000	\$17,459,000
WD-40 Company Ltd. (U.K.)	2,972,000	2,084,000	(482,000)
WD-40 Products (Canada) Ltd.	922,000	1,125,000	856,000
Interest, royalty and other income	987,000	1,259,000	1,505,000
Income before income taxes	<u>\$20,673,000</u>	<u>\$22,653,000</u>	<u>\$19,338,000</u>
Identifiable assets:			
WD-40 Company (U.S.)	\$30,913,000	\$31,392,000	\$29,160,000
WD-40 Company Ltd. (U.K.)	6,439,000	4,424,000	1,861,000
WD-40 Products (Canada) Ltd.	1,797,000	2,690,000	1,850,000
	<u>\$39,149,000</u>	<u>\$38,506,000</u>	<u>\$32,871,000</u>

Note 3 — Income Taxes:

The provision for income taxes includes the following timing differences:

	Year ended August 31		
	1987	1986	1985
Tax deduction (in advance of) after expense recorded —			
California Franchise Tax	(\$95,000)	(\$32,000)	(\$64,000)
Allowance for cash discounts	8,000	14,000	3,000
Depreciation	(19,000)	(140,000)	4,000
Other	54,000	18,000	6,000
Tax effect of timing differences	<u>(\$52,000)</u>	<u>(\$140,000)</u>	<u>(\$51,000)</u>

A reconciliation of the provision for income taxes to the amount computed by applying the statutory federal income tax rate to income before income taxes follows:

	Year ended August 31		
	1987	1986	1985
Amount computed at statutory federal rate	\$ 9,075,000	\$10,420,000	\$ 8,896,000
State income taxes, net of federal benefit	721,000	815,000	847,000
Net effect of foreign income taxes at effective rates			
(lower) higher than statutory federal rate	(133,000)	(152,000)	241,000
	<u>\$ 9,663,000</u>	<u>\$11,083,000</u>	<u>\$ 9,984,000</u>

Note 4 – Contingencies:

The Company is party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or the outcome of such will not have a materially adverse effect on the Company's financial position.

During the second quarter the Company recorded a charge of \$950,000, included in selling, general and administrative expense, resulting from a legal settlement. This matter was covered by insurance; however, the insurance carrier was in receivership and was unable to pay. Management is seeking full reimbursement of this amount from the California Insurance Guarantee Association.

Note 5 – Stock Options:

In November 1981, the shareholders approved an Incentive Stock Option Plan whereby the Board of Directors may grant officers and key employees options to purchase an aggregate of not more than 240,000 shares of the Company's common stock at a price not less than 100 percent of the fair market value of the stock at the date of grant. Options are exercisable one year after grant and may not be granted for terms in excess of ten years.

At August 31, 1987, options for 58,053 shares were exercisable and 95,902 shares were available for future grants.

A summary of the changes in options outstanding under the Plan during the three years ended August 31, 1987 is as follows:

	Number of shares	Option price per share
Outstanding at August 31, 1984	46,040	\$10.83-\$19.50
Options granted	30,500	\$21.38
Options exercised	(5,800)	\$10.83
Options canceled	(7,400)	\$19.50-\$21.38
Outstanding at August 31, 1985	63,340	\$10.83-\$21.38
Options granted	33,390	\$19.50
Options exercised	(3,330)	\$10.83-\$19.50
Outstanding at August 31, 1986	93,400	\$10.83-\$21.38
Options granted	29,478	\$29.50
Options exercised	(30,652)	\$10.83-\$21.38
Options canceled	(4,695)	\$19.50-\$21.38
Outstanding at August 31, 1987	87,531	\$19.50-\$29.50

Pursuant to provisions of the Plan, during the year 11,835 shares were exchanged at fair market value in lieu of cash in the exercise of stock options.

On December 8, 1986, the Board of Directors granted 1,722 non-qualified options (not granted under the Incentive Stock Option Plan) to two officers of the Company at an option price equal to the market price at the date of issuance of \$29.50.

Note 6 — Employee Benefit Plans:

The Company has a Profit Sharing Plan for the benefit of its regular full-time employees. The Plan provides for annual contributions into a trust which are based upon an annual earnings formula, or more, as approved by the Board of Directors, but which may not exceed the amount deductible for income tax purposes. The Plan may be amended or discontinued at any time by the Company. Profit sharing expense for 1987, 1986 and 1985 approximated \$405,000, \$236,000 and \$173,000, respectively.

The Company has a Salary Deferral Employee Stock Ownership Plan whereby regular full-time employees who have completed three years of service can defer a portion of their income through contributions to a trust. The Plan provides for Company contributions to the trust, as approved by the Board of Directors, equal to fifty per-cent or more of the compensation deferred by employees, but not in excess of the amount deductible for income tax purposes. Employee and Company contributions to the trust are invested in the Company's common stock. The Plan may be amended or discontinued at any time by the Company. Company contribution expense for 1987, 1986 and 1985 was approximately \$16,000, \$13,000 and \$7,000, respectively.

Quarterly Financial Information (Unaudited)

The following table sets forth certain unaudited quarterly financial information for the two years ended August 31, 1987.

Quarter ended:	Net Sales	Gross Profit	Net Income	Earnings Per Share
November 30, 1985	\$14,862,000	\$ 8,397,000	\$ 2,282,000	\$.30
February 28, 1986	18,896,000	11,023,000	3,017,000	.40
May 31, 1986	15,680,000	8,873,000	2,510,000	.34
August 31, 1986	19,946,000	11,721,000	3,761,000	.50
	<u>\$69,384,000</u>	<u>\$40,014,000</u>	<u>\$11,570,000</u>	<u>\$1.54</u>
November 30, 1986	\$16,497,000	\$ 9,426,000	\$ 2,536,000	\$.34
February 28, 1987	19,067,000	11,209,000	2,642,000	.35
May 31, 1987	17,163,000	9,973,000	2,315,000	.31
August 31, 1987	18,152,000	10,086,000	3,517,000	.46
	<u>\$70,879,000</u>	<u>\$40,694,000</u>	<u>\$11,010,000</u>	<u>\$1.46</u>

Copy of Form 10-K

Beneficial owners may obtain without charge a copy of WD-40 Company's annual report on Form 10-K filed with the Securities and Exchange Commission for 1987 by writing to the Secretary, WD-40 Company, 1061 Cudahy Place, San Diego, California 92110.

Stock Information

Period:	Fiscal 1987			Fiscal 1986		
	High	Low	Dividend	High	Low	Dividend
First Quarter	\$27¾	\$24½	\$.28	\$20¾	\$19½	\$.24
Second Quarter	38¾	30¾	.53	23¾	22¾	.26
Third Quarter	39¾	31¼	.33	27	26¼	.26
Fourth Quarter	35¼	31¾	.33	26	25½	.28

The high and low sales prices are as quoted in Standard and Poor's Daily Stock Prices.

Management's Discussion and Analysis of the Last Three Fiscal Years of Operations

Results of Operations

The operations summarized in Note 2 to the consolidated financial statements are discussed below.

WD-40 Company (U.S.)

Sales and operating profit in 1987 decreased 2.7 percent and 13.2 percent, respectively, compared with 1986. The decrease in sales was primarily attributable to the disruption in the retail trade caused by mergers, liquidations, leveraged buyouts, bankruptcies and changing distribution patterns. In addition to the effect of the decrease in sales, operating profit was adversely affected by the \$950,000 charge absorbed in the second quarter from the payment of a legal settlement for an insolvent insurance company.

Sales in 1986 increased 8.9 percent over 1985 chiefly because of the demise of two competitive products and the introduction of the innovative "twin pack".

WD-40 Company Ltd. (U.K.)

The solid growth of sales and operating profit of our U.K. subsidiary continued from last year as progress is made in getting the distribution of WD-40 beyond the automotive trade in England and new distribution is being established in Europe. The Middle East was also a good contributor. The weakening of the U.S. dollar added to the improvement.

WD-40 Products (Canada) Ltd.

Sales in 1987, although slightly higher than 1986, were below expectations. Operating profits were below 1986 due to increases in expenses across the board which were in contemplation of higher sales.

Sales increased 10.2 percent from 1985 to 1986 while operating income rose 31.4 percent as a result of expenses not rising at the same rate as sales.

Tax Reform Act of 1986

The Company expects its effective consolidated income tax rate to decrease as a result of the reduction of the statutory Federal income tax rates under the Tax Reform Act of 1986 from 46 percent in fiscal 1986 to 34 percent in fiscal 1989. Working capital and capital expenditure plans will not be significantly affected by the 1986 Act.

Liquidity and Capital Resources

The Company's primary source of liquidity is net income provided by operations. Cash dividends have been increased over the past three years from \$6,749,000 in 1985, \$7,804,000 in 1986 to \$11,053,000 in 1987. The yearend current ratio of six to one and the debt-free balance sheet reflects a healthy financial status. No significant capital expenditures are scheduled to be made in fiscal 1988.

Corporate Information

Board of Directors

John S. Barry
Sam Crivello
Eugene H. DeFalco
Daniel W. Derbes
Harlan F. Harmsen

Jack L. Heckel
Margaret L. Roulette
C. Fredrick Sehnert

President and Treasurer
Investor
Investor
President, Allied-Signal International Inc.
Secretary; Attorney, Harmsen, Carpenter, Sidell & Olson, A Professional Corporation
President and Chief Operating Officer, Gen Corp.
Investor
President, Software Products International

Officers

John S. Barry
Gerald C. Schleif
Paul A. Thompson
Harlan F. Harmsen
Robert Gal

President and Treasurer
Senior Vice President-Marketing
Vice President-Sales
Secretary
Assistant Secretary

General Counsel

Harmsen, Carpenter, Sidell & Olson, A Professional Corporation.

Independent Accountants

Price Waterhouse
San Diego, California

Transfer Agent & Registrar

California First Bank
8155 Mercury Court,
San Diego, California 92112

Corporate Office

1061 Cudahy Place
San Diego, California 92110
619/275-1400

Annual Meeting

2:00 PM, December 1, 1987
Mission Room
Mission Valley Inn
875 Hotel Circle South
San Diego, California 92108

Subsidiaries

WD-40 Products (Canada) Ltd.
WD-40 Company Ltd. (U.K.)
WD-40 Company (Australia) Pty Ltd.

Listed

Over the Counter
NASDAQ National Market System.
Symbol WDFC

Ten Year Summary (1)

Fiscal Year Ended August 31

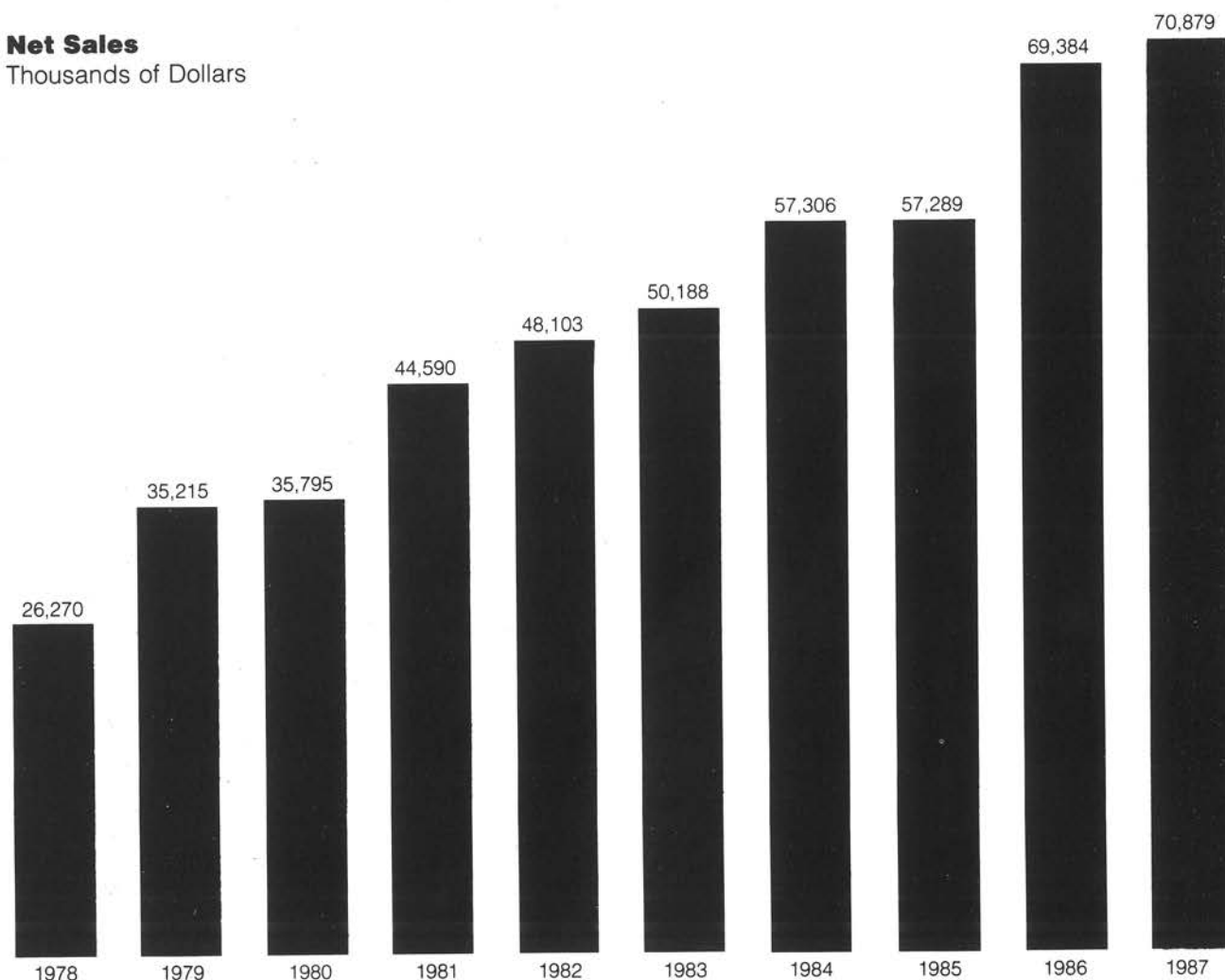
	1978	1979	1980
Net sales	\$26,270,000	\$35,215,000	\$35,795,000
Cost of products sold	10,957,000	15,503,000	16,106,000
Gross profit	15,313,000	19,712,000	19,689,000
Selling, advertising, general and administrative expenses	7,200,000	9,154,000	9,519,000
Interest, royalty and other income	491,000	706,000	942,000
Income before income taxes	8,604,000	11,264,000	11,112,000
Provision for income taxes	4,470,000	5,761,000	5,602,000
Net income	\$ 4,134,000	\$ 5,503,000	\$ 5,510,000
Earnings per share (2)	\$.56	\$.74	\$.74
Average number of shares outstanding	7,414,278	7,434,270	7,434,270
Dividends per share (3)	\$.27	\$.40	\$.52
Total assets	\$10,446,000	\$13,352,000	\$13,296,000
Number of employees	32	35	36

(1) Includes the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated. See Management's Discussion and Analysis of the Last Three Fiscal Years of Operations on page 11.

(2) Earnings per share have been computed based upon the weighted average number of shares of common stock outstanding during each year after giving retroactive effect to the two for one stock split in October 1978 and the three for one stock split in April 1983.

Net Sales

Thousands of Dollars



1981	1982	1983	1984	1985	1986	1987
\$44,590,000	\$48,103,000	\$50,188,000	\$57,306,000	\$57,289,000	\$69,384,000	\$70,879,000
19,715,000	20,467,000	21,781,000	24,060,000	24,403,000	29,370,000	30,185,000
24,875,000	27,636,000	28,407,000	33,246,000	32,886,000	40,014,000	40,694,000
10,203,000	11,253,000	13,647,000	14,318,000	15,053,000	18,620,000	21,009,000
1,212,000	1,712,000	1,333,000	1,515,000	1,505,000	1,259,000	988,000
15,884,000	18,095,000	16,093,000	20,443,000	19,338,000	22,653,000	20,673,000
8,040,000	9,130,000	8,119,000	10,381,000	9,984,000	11,083,000	9,663,000
\$ 7,844,000	\$ 8,965,000	\$ 7,974,000	\$10,062,000	\$ 9,354,000	\$11,570,000	11,010,000
\$1.06	\$1.21	\$1.07	\$1.35	\$1.25	\$1.54	\$1.46
7,434,270	7,434,834	7,453,598	7,476,546	7,498,024	7,503,679	7,516,652
\$.60	\$.68	\$.75	\$.84	\$.90	\$1.04	\$1.47
\$20,284,000	\$22,916,000	\$24,698,000	\$30,290,000	\$32,871,000	\$38,506,000	\$39,149,000
36	37	38	39	49	56	61

(3) The cash dividends paid per share have been retroactively restated to give effect to the October 1978 and April 1983 stock splits.

Earnings

■ Net Income: Thousands of Dollars
□ Earnings per Share: Dollars

